

United States Senate
WASHINGTON, DC 20510

May 25, 2021

The Honorable Janet Yellen
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

The Honorable Marcia Fudge
Secretary
U.S. Department of Housing and Urban
Development
451 7th Street SW
Washington, DC 20410

Dear Secretary Yellen and Secretary Fudge:

Across the United States, municipal and county governments have played a crucial role in responding to the public health and economic challenges created by the COVID-19 pandemic. These local governments have been on the front line of the pandemic, providing additional services to their constituents while often experiencing a decrease in revenue. Given the key role of local governments, Congress included the Coronavirus Local Fiscal Recovery Fund (CLFRF) in the American Rescue Plan Act. As we continue vaccinating Arizonans, this CLFRF aid will enable struggling Arizona cities, towns, and counties to continue vital public health efforts, retain first responders and teachers, and provide other essential services to keep small businesses afloat and help Arizonans stay in their homes.

Several Arizona communities have recently expressed concerns that their CLFRF allocations significantly deviated from original estimates. Seven Arizona communities—Buckeye, Goodyear, Kingman, Lake Havasu City, Maricopa, Prescott Valley, and Queen Creek—received substantially less funding from the CLFRF than was estimated at the time of the American Rescue Plan Act’s passage. These estimates had led communities to budget their CLFRF resources to address the health and economic challenges facing their residents. Given the decreased CLFRF allocations, the pandemic response has been disrupted in these seven communities.

Guidance from the Department of the Treasury on the CLFRF states that Treasury consulted with staff from the Department of Housing and Urban Development (HUD) to determine whether certain communities had relinquished or deferred their status as metropolitan cities in the Community Development Block Grant (CDBG) program. We are requesting a staff-level briefing from Treasury and HUD regarding the following topics:

- whether these seven Arizona communities received decreased CLFRF allocations based on a determination that they had relinquished or deferred their status as a metropolitan city;
- what criteria were used to determine whether each of these communities had relinquished or deferred their status as a metropolitan city;

- whether these communities met those criteria through their official actions; and
- whether the CLFRF allocations to these communities were accurate based on their populations and relationship to the CDBG program.

We share the goal of ensuring that every Arizona community receives its proper allocation of CLFRF funds. Thank you for your prompt attention to this matter. Please contact Senator Sinema's counsel, Chris Leuchten, at chris_leuchten@sinema.senate.gov regarding this matter.

Sincerely,



Kyrsten Sinema
U.S. Senator



Mark Kelly
U.S. Senator